

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113
Sacramento, CA

Minutes of Meeting
July 26, 2007

COMMISSIONERS PRESENT

Michele Burton, M.P.H.
Wilma Chan
Jerome Horton
Vicki Marti
Nancy McFadden
John Longville

COMMISSIONERS ABSENT

Cathie Bennett Warner

EX-OFFICIO MEMBERS PRESENT

Toby Douglas, Department of Health Care Services
John Fitzpatrick II, Department of Finance

EX-OFFICIO MEMBERS ABSENT**CMAC STAFF PRESENT**

Keith Berger, Executive Director
Tacia Carroll
Paul Cerles
Denise DeTrano
Holland Golec
Mark Klobberdanz
Katie Knudson
Genaro Rodriguez
Steve Soto
Becky Swol
Mike Tagupa
Mervin Tamai
Karen Thalhammer

I. Call to Order

The July 26, 2007 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Commissioner Nancy McFadden. A quorum was present.

II. Approval of Minutes

The July 12, 2007 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Keith Berger, Executive Director, informed the Commissioners that the state budget had still not been passed by the Legislature, but the Assembly did pass a budget and adjourned its session. He said that while there is a vote scheduled for today in the Senate, the expectations are that the proposed budget will not pass and that discussions will continue into at least next week.

Once the budget is passed by the legislature and signed by the Governor, Mr. Berger noted, CMAC staff will work with our ex-officio representatives from the Departments of Health Care Services and Finance to provide an overview of the key Medi-Cal components.

Mr. Berger indicated that CMAC staff is nearing completion of a draft of the Annual Report to the Legislature. He noted that staff would be providing the Commissioners with the draft for their review and approval next month.

Mr. Berger informed the Commissioners that staff continues to work diligently on the Distressed Hospital Fund and expects to be able to complete this portion of the process by the next CMAC meeting on August 9.

Regarding the Private Hospital Supplemental Fund, Mr. Berger said that CMAC staff has also begun to prepare for the implementation of the Round 3A process. He said that he expects to have a tentative schedule ready for the Commissioners' review at the next CMAC meeting.

Mr. Berger noted that there were 27 hospital and managed care amendments before the Commissioners for review and action as well as several important updates and discussions regarding current hospital and managed care negotiations in today's closed session.

IV. Department of Health Care Services (DHCS) Report

Toby Douglas, Assistant Deputy Director, Medical Care Services, CDHS, began his report by informing CMAC that after months of negotiation with Centers for Medicare & Medicaid Services (CMS), they are still encountering a few remaining obstacles regarding the Health Coverage Initiative, part of the Hospital Financing Waiver. He said that CMS has concerns about the income levels for Medi-Cal participants exceeding 200 percent of the federal poverty level. This is the same level the federal government set as part of the State Children's Health Insurance Plan (SCHIP) bill reauthorization. Seeing as implementation of the coverage initiative proposals is scheduled for September 1, the ten counties have agreed to move forward with the process utilizing the 200 percent limit.

Mr. Douglas expressed that DHCS has worked through a number of issues with counties regarding administrative claiming of costs, but that CMS is still pushing for a requirement that counties use new funding instead of existing funding to generate new approaches to improve overall health care, which is different than the original agreement in

the hospital financing waiver. This issue has to be resolved in the next couple of weeks because September 1 is right around the corner.

Regarding the State Plan Amendment (SPA) on physician services, Mr. Douglas noted that DHCS would be meeting with the federal government later this week to discuss the remaining issues. Finalization of this SPA will allow DHCS to move forward with the determinization of the amount of stabilization funding available.

In response to a question regarding the Governor's Health Care Proposal asked by Commissioner Chan, Mr. Douglas informed CMAC that many negotiations are on hold until the budget is passed, but the Administration is committed to the Governor's Proposal. Mr. Douglas noted that AB 8 is the health reform bill out right now, but there are a number of pieces not included in AB 8 that the Governor is still committed to, such as an individual mandate for coverage for childless adults and Medi-Cal provider rate increases.

V. New Business/Public Comments/Adjournment

There being no further new business and no comments from the public, Commissioner McFadden recessed the open session. Commissioner McFadden opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Commissioner McFadden announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.